

1 [REDACTED] - 2/16/2022

2 this case as assisting the SEC?

3 A. No.

4 MR. SYLVESTER: Object to form.

5 A. I view my role as an independent expert.

6 Q. You viewed your role in other cases as

7 assisting the SEC, though. Isn't that right?

8 MR. SYLVESTER: Object to form.

9 A. Which case are you talking about in
10 particular?

11 Q. I'm asking you, isn't it true that you've
12 viewed your role in other cases as assisting the
13 SEC?

14 MR. SYLVESTER: Object to form.

15 A. I'm not sure. I'd have to hear a
16 specific example of a matter to -- to determine
17 that.

18 Q. Did you believe you were assisting the
19 SEC when you wrote an expert report in SEC versus
20 [REDACTED]?

21 A. In SEC versus [REDACTED] case I was an
22 independent expert.

23 Q. So didn't view your role as assisting the
24 SEC?

25 A. I viewed my role --

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2 MR. SYLVESTER: Objection; asked and
3 answered.

4 A. I viewed my role as an independent
5 expert.

6 Q. You didn't view your role as assisting
7 the SEC. Is that right?

8 MR. SYLVESTER: Objection; asked and
9 answered.

10 A. I viewed my role as an independent
11 expert.

12 Q. You are saying "independent expert" here.
13 Is it your view that as an independent expert you
14 were not assisting the SEC?

15 MR. SYLVESTER: Objection; asked and
16 answered.

17 A. I viewed my role as an independent
18 expert.

19 Q. What do you mean when you say
20 "independent expert"?

21 A. I mean that I was -- you know, my task
22 was to do some analysis based on assignment and to
23 write an expert report based on that analysis and to
24 basically provide my -- my expert opinion to the
25 court in the matter.

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2 Q. But not to assist the Securities and
3 Exchange Commission?

4 MR. SYLVESTER: Objection; asked and
5 answered.

6 A. My role was to provide analysis based on
7 an assignment and provide an expert report so that
8 the court could rely on my expert testimony.

9 Q. Did you view your role as assisting the
10 SEC when you wrote an expert declaration in the SEC
11 versus [REDACTED] case?

12 MR. SYLVESTER: Objection.

13 A. The same thing in that -- in that
14 situation, I view my role as providing expert
15 testimony and being an independent expert.

16 Q. So that's a no, you didn't view your role
17 as assisting the SEC?

18 MR. SYLVESTER: Objection; asked and
19 answered.

20 A. I view my role as being an independent
21 expert.

22 Q. Is there some reason you can't answer
23 "yes" or "no" as to whether you thought you were
24 assisting the SEC in those cases?

25 MR. SYLVESTER: Objection; asked and

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2 answered.

3 A. You're asking if there's a reason I can't
4 answer "yes" or "no"? I don't understand what you
5 mean. What --

6 Q. I've asked you if you thought you were
7 assisting the SEC in those cases and you said your
8 role as being an independent expert. Is there some
9 reason you can't say whether you thought, yes or no,
10 you were assisting the SEC in those cases?

11 MR. SYLVESTER: Object to form.

12 A. I've tried to state what I thought my
13 role was in that case. And, you know, whether
14 somebody interprets that in another way, the way
15 that you're trying to ask the question, I -- I don't
16 really have an opinion, I just -- I just know that
17 my role was as an independent expert.

18 Q. I'm not asking what other people might
19 interpret it as. Did you interpret your role as
20 assisting the SEC?

21 MR. SYLVESTER: Objection;
22 argumentative.

23 A. Like I said, I think, what I'm very clear
24 on is that my role was to provide expert testimony
25 and to provide insight analysis on those cases, to

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2 provide expert -- to provide an expert report if,
3 you know, if needed. And I guess I inherently view
4 that role as assisting the court in the process in
5 that.

6 To assist or doesn't assist, I don't have
7 an opinion on it. I'm very clear that my role is to
8 provide independent expert analysis.

9 Q. So you don't have an opinion as to
10 whether you were assisting the SEC in those cases?

11 MR. SYLVESTER: Objection; asked and
12 answered now five, six times.

13 A. I view my role as having given expert --
14 independent expert analysis.

15 Q. All right. Turn to [REDACTED] Exhibit 2.
16 It's a copy of your CV that was attached as an
17 exhibit to your report. The first page of [REDACTED]
18 Exhibit 2, underneath the first heading "Key
19 Qualifications and Experiences," if you look down at
20 the fourth bullet point you see it says: Wrote
21 expert declaration to assist the Securities and
22 Exchange Commission to achieve the first successful
23 market manipulation action related to digital assets
24 in --

25 And it gives the case name.

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2 -- United States Securities and Exchange
3 Commission versus [REDACTED]

4 [REDACTED]

5 Do you see that?

6 A. Yes.

7 Q. Do you think this description in your CV
8 is accurate when you wrote that you -- wrote an
9 expert declaration to assist the SEC?

10 A. Yes.

11 Q. And right below that, the next bullet
12 says: Wrote expert report to assist the Securities
13 and Exchange Commission in U.S. Securities and
14 Exchange Commission versus [REDACTED]

15 [REDACTED]

16 Do you see that?

17 A. Yes.

18 Q. Do you think that description is accurate
19 when you said you wrote an expert report to assist
20 the SEC in that case?

21 A. Yes.

22 Q. You testified that you don't believe
23 you're assisting the SEC in this case. What makes
24 this case different?

25 MR. SYLVESTER: Objection;

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2 mischaracterizes his testimony.

3 A. Yeah, I didn't say that.

4 MR. OPPENHEIMER: Can you read that
5 back?

6 (The requested material was read.)

7 (Discussion off the written record.)

8 Q. So you testified that you don't believe
9 you are assisting the SEC in this case. What makes
10 this case different from the other two that you
11 listed in your CV?

12 MR. SYLVESTER: Objection; still
13 mischaracterizes his testimony.

14 A. I believe that the testimony you just
15 read asked if I view my role as to assist the SEC.
16 I don't believe that's the same as what you just
17 asked me.

18 Q. Did you view your role as assisting the
19 SEC in those other cases?

20 A. I viewed my role in those cases as
21 providing independent expert testimony.

22 Q. Why did you write in your CV that you
23 wrote an expert report to assist the SEC in those
24 cases?

25 A. So this is what I was getting at with one

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2 of my earlier answers to you, is whether or not
3 something assists somebody or not, that's a separate
4 question from whether I -- you know, my role was to
5 assist them.

6 So earlier you asked whether my role was
7 to assist the SEC. I said, you know, my role was to
8 provide independent expert testimony. Whether that
9 testimony -- you know, who that testimony assisted
10 is a separate question.

11 Q. In your CV did you write: Wrote expert
12 report to give independent testimony in these cases?

13 MR. SYLVESTER: Objection. Where are
14 you reading from?

15 MR. OPPENHEIMER: The fourth and
16 fifth bullet points under "Key Qualifications and
17 Experiences" that we were looking at earlier.

18 Q. Did you write in those bullet points:
19 Wrote expert report to provide independent testimony
20 in those cases?

21 A. No.

22 Q. We may have mentioned this earlier, but
23 under education you list a bachelor's degree in
24 electrical engineering and a master's degree in
25 electrical engineering. Do you have any degrees

1 [REDACTED] - 2/16/2022

2 other than those two?

3 A. No.

4 Q. Neither of those degrees involved a study
5 of digital assets, did they?

6 A. My bachelor of science was earned in
7 [REDACTED] Digital assets didn't exist at that point in
8 time.

9 Q. So that's a, no, they didn't involve
10 study of digital assets?

11 A. That would be no.

12 Q. And you don't -- neither of those degrees
13 was in any finance-related field, were they?

14 A. No.

15 Q. If you look at Page 2 of this exhibit.

16 MR. SYLVESTER: Which exhibit?

17 MR. OPPENHEIMER: The same exhibit,
18 [REDACTED] Exhibit 2.

19 Q. You list some companies that you've
20 worked for previously. The first one in time, the
21 bottom of the page, is [REDACTED].

22 Do you see that?

23 A. Yes.

24 Q. Was that your first job out of graduate
25 school?

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2 A. My first job after graduating from
3 graduate school, yes.

4 Q. Had you worked any full-time jobs before
5 then?

6 A. I worked off and on during graduate
7 school on -- in various roles. Some were full-time,
8 some were part-time, some were internships, some
9 were full-time roles.

10 Q. Did any of those jobs prior to the [REDACTED]
11 [REDACTED] involve digital assets?

12 A. No.

13 Q. Did any of those jobs prior to [REDACTED]
14 [REDACTED] involve making investment decisions?

15 A. I guess you have to specify for me who
16 the investment decisions would be on behalf of.

17 Q. Well, let's say this. Prior to the
18 beginning of your job at the [REDACTED],
19 did anyone ever pay you to work in a job involving
20 making investment decisions?

21 A. I'd say broadly -- I'll give the same
22 answer I gave earlier, which is that I worked in
23 jobs considering investments in a range of assets.
24 And some of those jobs involved making those
25 decisions, yes.

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2 Q. Who paid you to work in a job involving
3 making investment decisions before the [REDACTED]
4 [REDACTED] job?

5 A. The assisting companies in making
6 decisions about, again, intellectual property
7 software, making purchase decisions, making
8 investments in software, R&D, was done at -- just
9 off the top of my head I can think of [REDACTED]

10 [REDACTED] (phonetic) and [REDACTED]

11 Q. Did anyone ever pay you to make
12 investment decisions relating to equities,
13 commodities, bonds, real estates, derivatives, or
14 digital assets prior to September of 2010?

15 A. One of the --

16 MR. SYLVESTER: Object to form.

17 Go ahead.

18 A. One of those jobs involved trading in
19 commodities. Not on behalf of the company I was
20 working for, but certainly involved commodities
21 trading.

22 Q. Which job involved commodities trading?

23 A. [REDACTED]

24 Q. What was your role at [REDACTED]

25 A. I was helping to implement the nodal

1 [REDACTED] - 2/16/2022

2 electricity market in Texas. So that involved
3 forming market rules, testing, and a variety of
4 functions around that.

5 Basically at the time Texas was switching
6 from a zonal electricity market to a nodal
7 electricity market. And so there are, you know, a
8 variety of financial considerations in terms of how
9 do you design a marketplace, how do you design
10 market rules to have a well-functioning commodities
11 market.

12 In this case the commodity would be the
13 electricity market. And then, you know -- actually,
14 that involved several markets because, you know, as
15 you might know, the electricity market is not a
16 single market, but there is a market for real power.
17 There is also a market for ancillary services. So
18 we're designing market rules and mechanics for
19 different market participants in the various
20 ancillary services markets as well, such as, you
21 know, the market for spending reserves, the market
22 for up regulation and down regulation services.

23 And that involved realtime and, you know,
24 day-ahead market. So I really -- the role there was
25 really the nexus of understanding the physical

1 [REDACTED] - 2/16/2022

2 constraints, the phenomenology around operating an
3 electric grid, and also designing a financial market
4 that would allow market participants, including, you
5 know, investment banks and proprietary traders to
6 participate in that space.

7 And part of that included, you know, how
8 to facilitate derivatives trading in that
9 marketplace as well.

10 Q. When did you work at [REDACTED]

11 A. I'm sorry. When?

12 Q. When did you work at [REDACTED]

13 A. I can't remember the exact dates.

14 Q. Which year, approximately?

15 A. It was something like -- it was in the
16 range of probably 2007 to 2009, something like that.

17 Q. What was your job title?

18 A. I can't remember.

19 Q. Did you have any responsibility for
20 making commodities trading decisions at [REDACTED]

21 A. Well, as I described, I helped to design
22 elements of the -- the rules around a commodities
23 marketplace. So that involved a deep kind of
24 analysis of commodities trading from various market
25 participants, how various market participants might

1 [REDACTED] - 2/16/2022

2 think about trading strategies and provide services
3 both on the grid and financially in terms of making
4 commitments to buy and sell electricity, including
5 futures, derivatives, and, you know, realtime and
6 also ancillary services products in that space.

7 Q. Did you have any responsibility for
8 making commodities trading decisions at [REDACTED]

9 MR. SYLVESTER: Objection; asked and
10 answered.

11 A. I think what I described does involve
12 making commodities trading decisions. If you're
13 talking about like purchasing a specific contract, I
14 was not doing that on behalf of [REDACTED] But there --
15 you know, commodities trading was generally the
16 topic that -- that I was, yeah, considering and
17 working on, yeah.

18 Q. Was your job at [REDACTED] a paid or unpaid
19 job?

20 A. It was paid.

21 Q. And what was your title?

22 A. I can't remember.

23 Q. Okay. I'm sorry. I think I may have
24 asked that. I apologize.

25 Other than [REDACTED] did any of your jobs

1 [REDACTED] - 2/16/2022

2 prior to September 2010 involve making discretionary
3 investments in equities, commodities, bonds, real
4 estate derivatives, private businesses, or digital
5 assets, other than the companies that you started?

6 A. Other than everything I mentioned today,
7 I can't remember another one.

8 Q. Okay. Your job at the [REDACTED]
9 [REDACTED] that involved radar systems.

10 Is that right?

11 A. That's generally correct.

12 Q. That did not involve assessing
13 discretionary investment opportunities in equities,
14 commodities, bonds, real estate, derivatives, and
15 digital assets. Is that right?

16 MR. SYLVESTER: Object to form.

17 A. It generally involved radar systems.

18 Q. Your next job at the [REDACTED]
19 from January of 2013 to June of 2015, did that job
20 also involve radar systems?

21 A. Yes, it did, generally.

22 Q. And generally, that job did not involve
23 assessing discretionary investment opportunities in
24 equities, commodities, bonds, real estate,
25 derivatives, or digital assets. Right?

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2 A. That's right.

3 Q. Then your next job was at [REDACTED] in
4 July of 2015 until August of 2016. Is that right?

5 A. That's right.

6 Q. And that company was also focused on
7 automotive radar systems, in part; yes?

8 MR. SYLVESTER: Object to the form.

9 A. In part, that -- that company was also
10 focused on radar systems.

11 Q. Okay. Was [REDACTED] an investment
12 company?

13 MR. SYLVESTER: Object to the form.

14 A. [REDACTED] was a corporation.

15 Q. Was its primary line of business to
16 invest in equities, commodities, real estate, bonds,
17 derivatives, or digital assets?

18 A. No, it was not.

19 Q. In September of 2016 -- in September
20 of 2016, your CV says you became founder and CEO of
21 [REDACTED] Is that right?

22 A. That's right.

23 Q. When was [REDACTED] founded?

24 A. I can't remember exactly.

25 Q. How long did it operate before

1 [REDACTED] - 2/16/2022

2 registering as an LLC?

3 A. I can't remember exactly.

4 Q. Was it multiple months?

5 MR. SYLVESTER: Object to the form.

6 A. Yes, it was multiple months.

7 Q. Was it multiple years?

8 MR. SYLVESTER: Object to the form.

9 A. Not multiple years, no.

10 Q. How many employees does [REDACTED]

11 have today?

12 A. Two.

13 Q. How many did it have in September of
14 2016?

15 A. Two.

16 Q. Has it been the same two employees the
17 entire time?

18 A. Yes.

19 Q. Who are the employees?

20 A. Myself and [REDACTED].

21 Q. What's your ownership interest in

22 [REDACTED]

23 A. I can't remember an exact figure.

24 Q. Are you a majority owner?

25 A. Yes.

1 [REDACTED] - 2/16/2022

2 Q. Who owns the minority interest in

3 [REDACTED]

4 A. [REDACTED]

5 Q. Does anyone else own any share of

6 [REDACTED]

7 A. No.

8 Q. Does [REDACTED] have a physical office?

9 A. Yes.

10 Q. Where?

11 A. [REDACTED].

12 Q. Is that its headquarters?

13 A. Yes.

14 Q. Does it have any other physical offices?

15 A. No.

16 Q. Does it have a website?

17 A. No.

18 Q. What was [REDACTED] doing between

19 the time when it was founded and the time that it

20 was, let's call it, incorporated as an LLC?

21 MR. SYLVESTER: Object to the form.

22 A. [REDACTED] was developing software,
23 developing intellectual property, and developing --
24 yeah, I'll leave it there. Developing intellectual
25 property and -- and software primarily.

1 [REDACTED] - 2/16/2022

2 Q. How many hours per week approximately do
3 you spend working on [REDACTED]

4 A. I --

5 MR. SYLVESTER: Can we get a time
6 frame on that? You mean, like, this week or
7 earlier?

8 Q. Across the last three years,
9 approximately how many hours per week have you spent
10 working on [REDACTED]

11 A. It has ranged. A huge amount. I think
12 there were probably -- there were weeks when it was
13 probably 80 hours a week and there are weeks when
14 that was a much smaller number than that and it's
15 been, you know, different from week to week.

16 Q. What has it been on the smaller side?

17 A. On the smaller side, probably ten hours.

18 Q. Who is your boss at [REDACTED]

19 A. [REDACTED]

20 Q. And have you ever told Mr. [REDACTED] about your
21 job at [REDACTED]

22 A. Yes.

23 Q. Have you ever told [REDACTED] about
24 your job at [REDACTED]

25 A. For both of those people, I've told them

1 [REDACTED] - 2/16/2022

2 that I run an investment partnership.

3 Q. How much money does [REDACTED] have
4 under management today?

5 A. Under the NDA, I've signed with [REDACTED]
6 [REDACTED] I can't give specific figures.

7 Q. Can you give an approximation?

8 A. I can't give specific figures based on
9 the NDA.

10 Q. Would you be able to provide an
11 approximation if you didn't have an NDA?

12 A. I don't know what you mean by would I be
13 able to. Like, is it physically possible?

14 Q. I mean, sitting here today, if you
15 weren't prohibited by your NDA, would you be able to
16 tell me --

17 A. A specific number --

18 Q. -- approximately how much money [REDACTED]
19 [REDACTED] has under management?

20 A. Yes.

21 Q. Okay. How much money does it have under
22 management?

23 A. I'm not going to say that. I'm
24 prohibited under the NDA.

25 Q. Who contributed the money that [REDACTED]

1 [REDACTED] - 2/16/2022

2 [REDACTED] has under management today?

3 A. The partners of [REDACTED]

4 Q. Does it manage anyone else's money other
5 than the two partners?

6 A. No.

7 Q. What are [REDACTED] [REDACTED] approximate
8 lifetime returns since September of 2016?

9 MR. SYLVESTER: Objection to form.

10 A. Are you asking me the cumulative return
11 on investment from initial capital to -- to present
12 day?

13 Q. Yes.

14 A. I can't remember exactly.

15 Q. Do you have an approximation?

16 A. Yes.

17 Q. Approximately, what has the cumulative
18 return for [REDACTED] [REDACTED] investments been?

19 A. Probably about 3,000 percent.

20 Q. And that's overall or annualized?

21 A. I don't understand the distinction
22 between overall and unrealized.

23 Q. Annualized.

24 A. Oh, okay. Those are the cumulative
25 returns, roughly.

1 [REDACTED] - 2/16/2022

2 Q. Do you have any understanding of how
3 those returns compare to the returns [REDACTED]
4 [REDACTED] would have had if it had bought bitcoin and
5 held it for the entire period?

6 MR. SYLVESTER: Objection. What --
7 the entire period we're talking about?

8 MR. OPPENHEIMER: [REDACTED] [REDACTED]
9 lifetime returns since September of 2016.

10 A. I don't have that figure off the top of
11 my head.

12 Q. If I were to tell you that bitcoin has
13 had a more than 7,000 percent return since September
14 of 2016, would that sound about right?

15 A. I'd have to look at the -- the figure
16 myself.

17 Q. What about Ethereum? Do you know how
18 [REDACTED] [REDACTED] cumulative returns since
19 September of 2016 compares to cumulative returns of
20 buying and holding Ethereum during that time?

21 A. I -- I don't have that figure in front of
22 me right now. I don't know.

23 Q. Who did you negotiate your NDA at
24 [REDACTED] with?

25 MR. SYLVESTER: Objection; form.

1 [REDACTED] - 2/16/2022

2 A. The NDA was negotiated between the
3 company and each partner in the company.

4 Q. And you're the CEO of the company?

5 A. Yes.

6 Q. Do you have the authority to waive any
7 terms of the NDA or to amend the NDA as the CEO of

8 [REDACTED]

9 A. No.

10 MR. SYLVESTER: Object to form.

11 Q. Whose authorization would be required to
12 do that?

13 A. The -- it would have to be a unanimous
14 decision between the partners of the company.

15 Q. Through your work at [REDACTED]
16 have you had substantive discussions with retail
17 users of digital assets about their preferences with
18 respect to purchasing digital assets?

19 MR. SYLVESTER: Object to the form.

20 A. I'm not sure I understand the question.
21 You're asking about conversations I had with retail
22 purchasers of digital assets?

23 Q. Yeah. What conversations have you had
24 with retail purchasers of digital assets about why
25 they choose to buy digital assets?

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2 MR. SYLVESTER: Can we get a time
3 frame on that?

4 Q. During the time you worked at [REDACTED]

5 [REDACTED]

6 A. I've had conversations with so many
7 people about digital assets across so many different
8 topics that it's impossible for me to relate a
9 specific, you know, characterization of a specific
10 conversation that would come anywhere close to being
11 representative of all those interactions that I've
12 had.

13 Q. All the interactions that you've had have
14 involved people with different viewpoints on why
15 they buy digital assets. Is that fair to say?

16 MR. SYLVESTER: Objection; form.

17 A. I -- you're asking if all of the
18 conversations have had -- involved different
19 participants or different --

20 Q. Here, let me -- let me give you a better
21 question.

22 You testified that it would be impossible
23 to give a characterization of your conversations
24 with retail users of digital assets that would come
25 anywhere close to being representative of all the

1 [REDACTED] - 2/16/2022

2 interactions you've had.

3 My question is, is that because the
4 various interactions you've had with retail users or
5 retail purchasers of digital assets have involved
6 those retail users or retail purchasers expressing
7 different views as to why they purchased digital
8 assets?

9 MR. SYLVESTER: Object to form.

10 A. Some users purchase for investment
11 purchase; some purchase for utility purpose. There
12 are -- the conversations spanned so many years and
13 so many different types of assets that it's hard to
14 sum up conversations with people about digital
15 assets into a specific, you know, summary.

16 Q. Do all of the retail purchasers who have
17 an investment purpose have the same views on what
18 factors are important to them based on the
19 conversations they've had with you?

20 MR. SYLVESTER: Objection;
21 foundation.

22 A. I would say that there are some generally
23 accepted factors within the blockchain space that
24 are important to purchasers of digital assets and
25 the -- and to that extent, you know, somebody

1 [REDACTED] - 2/16/2022

2 might -- I think I might have misremembered exactly
3 how you worded that, but I think you might've said
4 like whether they would reach different conclusions.

5 Certainly people would reach different
6 conclusions based on, you know, whether they think
7 the risk/reward of a particular asset is favorable
8 or not and, of course, that's what makes a market,
9 there are always going to be, on a given digital
10 asset, people who think it's going to go up, people
11 who think it's going to go down just like with any
12 other -- I mean, this applies to any other assets
13 kind of in the world and that [REDACTED] trades. I
14 mean, that -- that also applies to the, you know,
15 equity investments or commodities or currency
16 markets trading.

17 There's always two sides to a trade; so
18 generally, there's somebody who thinks it's going up
19 and somebody who thinks it's going down.

20 Let's say, you know, there's -- there's a
21 general framework at any given time of how people
22 think about what factors are important.

23 Q. That wasn't my question. My question
24 was, did all of the retail purchasers you've spoken
25 with who have an investment purpose have the same

1 [REDACTED] - 2/16/2022

2 views on what factors are important to them based on
3 the conversations that they've had with you?

4 MR. SYLVESTER: Objection;
5 foundation.

6 A. I'm sorry. Can you repeat the question?

7 MR. OPPENHEIMER: Can you repeat the
8 question?

9 A. It's getting to be a long, wordy
10 question.

11 (Discussion off the written record.)

12 (The requested material was read.)

13 MR. SYLVESTER: Same objection.

14 A. I think when you ask me any question
15 about do all people in this same category have the
16 same view? I dont know. You know, I might've had a
17 conversation with them about one thing and they
18 might have a view that they didn't tell me about, I
19 certainly didn't speak to the exact complete set of
20 motivations for every person that I've ever spoken
21 to.

22 Q. Which retail purchasers of digital assets
23 have you spoken to during your time at [REDACTED]

24 [REDACTED]

25 MR. SYLVESTER: Object to form.

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2 A. I've spoken to purchasers who purchase
3 for utility reasons, purchasers who bought digital
4 assets for investment purposes, people who purchased
5 because they were interested in a particular
6 industry, people who purchased because they were
7 executing a specific trading strategy. And I think,
8 you know, I've spoken to many different types of
9 purchasers who, you know, are buying for many
10 different reasons.

11 Q. How did you meet these people?

12 MR. SYLVESTER: Object to form.

13 A. I have met people through, like -- are
14 you asking how I first encountered them or how did
15 we communicate or I'm trying to figure out exactly
16 what you're asking me here?

17 Q. You've testified that you've had
18 conversations with retail purchasers of digital
19 assets. I'm asking you how you met those people
20 that you had conversations with?

21 A. A wide variety of ways that I've met with
22 people and communicate with them.

23 Q. How many retail purchasers approximately
24 do you think you have spoken with about digital
25 asset trading strategies?

1 [REDACTED] - 2/16/2022

2 MR. SYLVESTER: Object to form.

3 A. I -- I don't know. It's hard for me to
4 pinpoint on a specific answer like that.

5 Q. You're unable to give an approximation?

6 MR. SYLVESTER: Objection; form.

7 A. I don't know how many people.

8 Q. How many institutional investors have you
9 communicated with about their trading strategies
10 concerning digital assets during your time at

11 [REDACTED]

12 MR. SYLVESTER: Object to form.

13 Go ahead.

14 A. I don't know a specific number.

15 Q. How many cryptocurrency miners have you
16 communicated with about their strategies for trading
17 digital assets during your time at [REDACTED]

18 A. I --

19 MR. SYLVESTER: Object to form.

20 Go ahead.

21 A. I can't give a specific answer.

22 Q. How many software developers have you
23 communicated with during your time at [REDACTED]
24 [REDACTED] concerning their strategies for trading
25 digital assets?

1 [REDACTED] - 2/16/2022

2 MR. SYLVESTER: Object to form.

3 Go ahead.

4 A. I can't remember with a specific answer.

5 Q. How many venture investors have you
6 communicated with about their strategies for trading
7 digital assets during your time at [REDACTED]

8 MR. SYLVESTER: Object to form.

9 A. I can't remember the specific answer.

10 Q. Do you have an approximation for how many
11 venture capital investors?

12 MR. SYLVESTER: Object to form.

13 A. No.

14 Q. Do you have an approximation for any of
15 those categories that I just gave?

16 A. No.

17 MR. SYLVESTER: Object to form.

18 Q. Is [REDACTED] engaged in the
19 business of providing advice to others about digital
20 asset trading?

21 MR. SYLVESTER: Object to form.

22 A. By "others," do you mean other
23 organizations outside of [REDACTED]

24 Q. Let me ask it this way. Can a person or
25 a company come to [REDACTED] and pay [REDACTED] to get

1 [REDACTED] - 2/16/2022

2 advice about digital asset trading?

3 A. No.

4 Q. Does [REDACTED] do anything to
5 determine which digital assets it trades might be
6 securities under the Federal Securities Laws?

7 MR. SYLVESTER: Object to form.

8 A. Sorry. Repeat it exactly. Does

9 [REDACTED] --

10 Q. Does [REDACTED] do anything to
11 determine which digital assets it trades might be
12 considered securities under the Federal Securities
13 Laws?

14 MR. SYLVESTER: Same objection.

15 A. Again, I'd say this really is a question
16 that depends on the trading strategy because there
17 are many different trading strategies. And, again,
18 certain risks come into play for one trading
19 strategy that might not come into play for another.

20 Q. So for some trading strategies it may
21 evaluate whether a digital asset would be considered
22 a security under the Federal Security Laws and for
23 other trading strategies it may not?

24 MR. SYLVESTER: Object to form.

25 A. I'm not a lawyer and it's not my ability

1 [REDACTED] - 2/16/2022

2 or role or [REDACTED] to make a determination about
3 whether an asset is a security. I would say that at
4 times I might try to assess relative risk that a
5 regulatory risk might come into play.

6 Q. But not every time?

7 MR. SYLVESTER: Object to form.

8 A. At times certain risk factors are more
9 important than others, sometimes the risk factor
10 might not be present at all, it really depends on
11 the trading strategy we're talking about.

12 Again, for some trading strategies,
13 regulatory risk isn't a factor, for some trading
14 strategies regulatory risk might be a factor. But
15 in either of those cases, I think I would -- if I
16 heard your question right, I think I would disagree
17 with the question as asked, if I could determine
18 whether something is security because I can't do
19 that. I don't do that.

20 But, you know, there are certain times
21 when kind of a relative risk is something I might
22 think about.

23 MR. SYLVESTER: All right. We've
24 been going about an hour-ten, so whenever it's a
25 good time to take a break, let's take a break.

1 [REDACTED] - 2/16/2022

2 MR. OPPENHEIMER: Sure. Give me --
3 I'll do one or two questions and then we can take a
4 break.

5 MR. SYLVESTER: Okay.

6 Q. What factors does [REDACTED]
7 consider when it's evaluating regulatory risk of
8 whether a particular asset may be considered a
9 security under the Federal Securities Laws?

10 MR. SYLVESTER: Object to form.
11 Calls for a legal conclusion.

12 A. So again, [REDACTED] doesn't make a
13 determination about whether a particular digital
14 asset is a security or not.

15 Q. Yeah, I didn't ask that.

16 My question is what factors does [REDACTED]
17 [REDACTED] consider when it's evaluating the regulatory
18 risk associated with a particular digital asset?

19 MR. SYLVESTER: Object to form.
20 Calls for a legal conclusion.

21 A. There are many different types of
22 regulatory risk. And so the factors that [REDACTED]
23 considers in terms of regulatory risk, it might be
24 different on a case-by-case basis. There might be a
25 digital asset that's operating in a particular

1 [REDACTED] - 2/16/2022

2 industry that has regulatory risk unique to that
3 industry and so there would be regulatory risk
4 factors applied to that asset that don't apply to
5 others.

6 So it -- it's impossible to give a
7 specific set of factors as far as regulatory risk
8 that are considered the same way each and every time
9 across every single digital asset.

10 I would add that, you know, assessing
11 regulatory risk goes beyond the digital asset
12 investments that [REDACTED] makes. I think there
13 are regulatory risks and -- that need to be assessed
14 in, you know, equities, bonds, real estate, and
15 other types of assets as well. And, again, I think
16 the specific factors that are considered are
17 different across each of those investments.

18 Q. And is it fair to say from your earlier
19 answer, [REDACTED] has never made a
20 determination, one way or the other, as to whether a
21 particular digital asset its considering trading
22 would be considered a security under the Federal
23 Securities Laws?

24 MR. SYLVESTER: Object to form.

25 Go ahead.

1 [REDACTED] - 2/16/2022

2 A. I'm not a lawyer so I can't make a legal
3 conclusion about whether a specific asset is a
4 security or not. So since I'm incapable of doing
5 that, that's not, you know, something I have done.

6 Q. So just to be clear [REDACTED] has
7 never made a determination one way or the other on
8 that issue. Is that right?

9 MR. SYLVESTER: Object to form, calls
10 for a legal conclusion.

11 A. Yeah, I think the way I put it earlier is
12 that [REDACTED] might assess relative risk of
13 regulatory factors -- sorry, regulatory risks, and
14 so it's a topic that would be considered, but
15 [REDACTED] itself would not make a determination that
16 a particular digital asset is or is not a security.

17 MR. OPPENHEIMER: Okay. Let's go off
18 the record.

19 THE VIDEOGRAPHER: The time is 11:59.
20 We are off the record.

21 (Break.)

22 THE VIDEOGRAPHER: The time is 12:28.
23 We are on the record.

24 Q. Before the break, we were talking about
25 your conversations with other market participants.

1 [REDACTED] - 2/16/2022

2 My question for you now is, which institutional
3 investors did you speak with regarding their digital
4 asset trading strategies?

5 MR. SYLVESTER: Object to form.

6 A. I can't remember specific people I spoke
7 to about trading strategies.

8 Q. You don't remember the name of a single
9 institutional investor that you spoke to on that
10 topic?

11 MR. SYLVESTER: Object to form.

12 A. I can't specifically recall, you know,
13 what I talked about with different people, so no, I
14 can't remember something that would be responsive to
15 that.

16 Q. Do you remember the name of a single
17 cryptocurrency miner who you spoke with about
18 digital asset trading?

19 A. The same thing, I can't remember the
20 details of the specific conversations with specific
21 people and whether we talked about that topic or
22 not, so no.

23 Q. Do you remember the name of a single
24 software developer who you've spoken with about
25 digital asset trading?

1 [REDACTED] - 2/16/2022

2 MR. SYLVESTER: Object to form.

3 Go ahead.

4 A. I still say no, I mean, I can't recall
5 the specific conversations with specific people,
6 so...

7 Q. Do you recall the name of a single
8 venture capital investor who you spoke with
9 regarding digital asset trading?

10 MR. SYLVESTER: Objection.

11 A. Same answer.

12 Q. Do you recall the name of any retail
13 users who you spoke with regarding digital asset
14 trading?

15 A. I can't remember.

16 MR. SYLVESTER: Objection to form.

17 A. I can't remember specific details about
18 specific conversations.

19 Q. Do you have any notes about these
20 conversations?

21 MR. SYLVESTER: Object to form.

22 A. I don't think so.

23 Q. What was the venue in which these
24 conversations took place?

25 MR. SYLVESTER: Object to form. Are

1 [REDACTED] - 2/16/2022

2 we talking about just, in your words, retail users,
3 or any of it about the conversations?

4 Q. What was the venue in which any of your
5 conversations with any market participants about
6 digital asset trading took place?

7 MR. SYLVESTER: Object to form.

8 A. I mean, the time and place has varied
9 greatly. The type of venue has varied. I mean,
10 I've spoken to people at conferences and one-on-one
11 settings. I've talked to people on the phone. I've
12 talked to people, yeah, I -- in a variety of
13 different places and ways.

14 Q. But you didn't take notes on those
15 conversations, and you don't recall any single one
16 of those conversations, just sitting here today. Is
17 that right?

18 MR. SYLVESTER: Object to form.

19 A. Yeah, I can't remember the details of any
20 specific conversation I had, yeah.

21 (Discussion off the written record.)

22 Q. Did any of your conversations with
23 digital asset market participants take place over
24 social media channels?

25 MR. SYLVESTER: Object to form.

1 [REDACTED] - 2/16/2022

2 A. Yes.

3 Q. Which ones?

4 A. Twitter.

5 Q. Any others?

6 A. Not that I can think of.

7 Q. Have you ever had any conversations with
8 market participants on Reddit?

9 A. I don't think so.

10 Q. What's your Twitter handle?

11 A. [REDACTED].

12 Q. Can you spell that?

13 A. [REDACTED]

14 Q. Do you recall any specific conferences
15 you've gone to at which you've had conversations
16 with digital asset market participants?

17 A. I've been to a lot of different digital
18 asset kind of events. I can -- off the top of my
19 head, I can think of the Monero conference, the
20 conference of -- Texas blockchain conference. There
21 are probably others. I can't think of any right
22 now.

23 Q. When was the Monero conference held?

24 A. Summer of 2019.

25 Q. When was the Texas blockchain conference

1 [REDACTED] - 2/16/2022

2 held?

3 A. Last fall. I can't remember exactly
4 when.

5 Q. You don't remember any specific
6 conversations you had with anyone else at those
7 conferences, though, do you?

8 A. Not the names of the people or the -- you
9 know, the specific details of -- of those.

10 Q. I'm sorry. To help the court reporter
11 here, can you spell your Twitter handle again a
12 little more slowly?

13 A. Okay. [REDACTED]

14 [REDACTED] [REDACTED]

15 Q. Okay. Thanks.

16 You work at [REDACTED] now. Right?

17 A. Yes.

18 Q. How did you first become affiliated with

19 [REDACTED]

20 A. I don't remember how I first became
21 affiliated with [REDACTED] I mean, I started working
22 there at the date on my résumé, but I can't remember
23 the initial conversations before that.

24 Q. How many employees does [REDACTED] have?

25 A. It varies from time to time, so I don't

1 [REDACTED] - 2/16/2022

2 know an exact number.

3 Q. Do you have an approximation today?

4 A. It's probably, like, 15.

5 Q. Do you know what percentage of -- sorry.

6 This thing fell out.

7 Okay. Do you know what percentage of

8 Integra's work is done on behalf of the SEC?

9 A. I don't know.

10 Q. Do you have an approximation?

11 A. No.

12 Q. Approximately what percentage of your own

13 work at [REDACTED] is on behalf of the SEC?

14 A. I don't know.

15 Q. Do you have an approximation?

16 A. No.

17 Q. You're not sure how much of your own work

18 is for the SEC at [REDACTED]

19 A. Yeah, I don't have a number for you.

20 Q. Is it a majority of your work at [REDACTED]

21 MR. SYLVESTER: Could we get a time

22 period on this again?

23 THE WITNESS: Yeah.

24 MR. SYLVESTER: That might be

25 helpful.

1 [REDACTED] - 2/16/2022

2 Q. Well, you just testified you don't know.

3 Do you know as to any particular time frames how
4 much of your work is for the SEC?

5 A. So, over time, I've worked on many
6 different projects for many different organizations,
7 both private organizations and government agencies.
8 Typically, I'm working on more than one project at
9 the same time.

10 So sitting here right now, it's hard for
11 me to separate out a exact percentage of how much
12 was spent with one organization versus another
13 organization.

14 Q. Yeah, I don't need -- I don't need an
15 exact percentage. I'm just asking if you can give
16 me an estimate of approximately how much of your
17 work has been on behalf of the SEC, let's say, in
18 the last year?

19 A. Yeah, I -- I don't know. I'd have to --
20 I'd have to look at the numbers on that.

21 Q. And would you know that as to the year
22 before?

23 A. No.

24 Q. Would you know that as to -- from the
25 time you started until whenever that period just got

1 [REDACTED] - 2/16/2022

2 us to, so roughly 2019 calendar year?

3 A. No.

4 Q. How are you compensated by [REDACTED]

5 A. I'm a salaried employee of [REDACTED]

6 Q. Do you get any bonuses?

7 A. Yes.

8 Q. What do your bonuses depend on?

9 A. There is a factor based on billable
10 hours, and then I think -- there is not a specific
11 metric. It's just based on performance.

12 Q. Do you get any compensation based on
13 business that you bring into [REDACTED]

14 A. No.

15 Q. What was your base compensation from
16 [REDACTED] last year?

17 A. [REDACTED]

18 Q. Did you receive a bonus in 2021?

19 A. Yes.

20 Q. What was the bonus?

21 A. [REDACTED]

22 Q. Approximately how many hours have you
23 worked on this case to date?

24 A. I can't remember.

25 Q. Do you have a ballpark?

1 [REDACTED] - 2/16/2022

2 A. It's a substantial number of hours. I
3 can't remember, yeah, exactly how many that is.

4 Q. What's your billing rate in this case?

5 A. I'd have to actually look. I know it's
6 on the report.

7 Q. Okay. Feel free.

8 A. What?

9 Q. Feel free.

10 A. Okay. I'm not used to seeing this
11 two-sided.

12 (Pause.)

13 Q. I can point you to [REDACTED] Exhibit 1,
14 Paragraph 5, if it helps.

15 A. Yes, Paragraph 5.

16 \$435 per hour.

17 Q. Is that your billing rate for all cases?

18 A. I'm not sure. I don't believe so. I
19 don't handle the billing.

20 Q. Do you know whether you charge a higher
21 hourly rate in other cases in which the SEC is not
22 the client?

23 A. I'm not sure.

24 Q. You served as an expert witness in four
25 cases before. Is that right?

1 [REDACTED] - 2/16/2022

2 A. Including this case?

3 Q. Including this case.

4 A. Yes. Wait. Yes, that's right.

5 Q. And that's three court cases and one

6 arbitration case. Is that right?

7 A. Yes.

8 Q. What was the subject of the arbitration
9 case?

10 A. I cannot disclose that. I'm under a NDA
11 about the contents of the case.

12 Q. Who is the NDA with?

13 A. I don't remember exactly who I signed it,
14 who the counterparty was. It might have been the
15 law firm. It might have been the company that
16 retained the law firm. I'm not -- I can't remember.

17 Q. Were you deposed in that case?

18 A. No.

19 Q. Did you testify at trial in that case?

20 A. Yes.

21 Q. And it's your position that you can't
22 give any information about the subject of your trial
23 testimony. Is that right?

24 A. That's correct.

25 Q. Okay. I think we dispute that, but we

1 [REDACTED] - 2/16/2022

2 can move on for now and circle back.

3 Talking about the court cases that you've
4 been an expert in, have you ever served as an expert
5 in a court case on behalf of any party that's not
6 the SEC?

7 A. No.

8 Q. And in any of the court cases in which
9 you served as an expert for the SEC, do you know if
10 your testimony was subject to a Daubert motion?

11 MR. SYLVESTER: Objection.

12 A. I don't think so, but I don't -- yeah, I
13 don't think that happened.

14 Q. So to the best of your knowledge, a court
15 has never ruled on a Daubert motion concerning your
16 testimony. Is that right?

17 MR. SYLVESTER: Objection.

18 A. I'm -- since I'm not a lawyer, I'm
19 unclear of the specifics for how that process works,
20 but I don't think that my testimony has ever been
21 challenged or thrown out or anything like that.

22 Q. And I'm just asking to the best of your
23 knowledge has a court ever ruled on a Daubert motion
24 concerning your testimony?

25 MR. SYLVESTER: Objection.

1 [REDACTED] - 2/16/2022

2 Q. Do you know?

3 A. I don't know.

4 Q. Okay. Take a look at [REDACTED] Exhibit 1,
5 your expert report. At Page 5, Paragraph 6.

6 Paragraph 6 says: Appendix B to this
7 report contains a complete list of documents and
8 data sources I relied upon to complete the analysis
9 in this report.

10 Do you see that?

11 A. Yes.

12 (Exhibit 3 was marked.)

13 Q. I'm going to mark as [REDACTED] Exhibit 3 a
14 copy of Appendix B to the report.

15 Do you recognize Exhibit -- [REDACTED]
16 Exhibit 3 as a copy of Appendix B to your report in
17 this case?

18 A. Yes, that looks right.

19 Q. Is this a complete list of all of the
20 documents that you considered in forming your
21 opinions in this matter?

22 A. This is a complete list of all the
23 sources. I think on some of these, like social
24 media sites, you know, there are different pages on
25 that site that are kind of incorporated into that

1 [REDACTED] - 2/16/2022

2 source. It's not like every thread of every comment
3 or anything like that is listed here. But, yeah,
4 all the sources that I relied upon are here.

5 Q. Are there any sources you considered that
6 you didn't list in Appendix B?

7 A. No, I don't think so.

8 Q. How did you learn what this case was
9 about?

10 A. I can't remember.

11 MR. SYLVESTER: Objection.

12 To the extent that that calls for
13 communications with counsel I'm going to instruct
14 you not to answer.

15 A. I can't remember when I first learned
16 about it or exactly how. I mean, I know that I read
17 a news article about it I think after the case was
18 filed. But in terms of -- yeah, I think -- yeah,
19 that's probably...

20 Q. Did you consider any background facts
21 about this case in forming your expert opinions?

22 A. Did I consider any -- sorry. Any what?

23 Q. Any background facts about the case
24 itself --

25 A. I don't know what you mean --

1 [REDACTED] - 2/16/2022

2 Q. -- in forming your opinions?

3 A. -- by that.

4 Q. Well, let me give you an example. Take a
5 look in [REDACTED] Exhibit 1, your report, Paragraph 2.
6 Exhibit 1.

7 MR. SYLVESTER: Did you say
8 Paragraph 2?

9 MR. OPPENHEIMER: Paragraph 2.

10 Q. You wrote at the end of Paragraph 2: The
11 purchases of XRP were made through trades on the XRP
12 Ledger on digital asset trading platforms and in
13 private over-the-counter transactions throughout the
14 period that Ripple offered XRP for sale from 2013 to
15 the filing of the SEC's complaint on December 22nd,
16 2020 (issuance period).

17 How did you come up with that period?

18 A. I think --

19 MR. SYLVESTER: Objection; form.

20 Go ahead.

21 A. That was part of my assignment in this
22 case.

23 Q. You didn't read the complaint or the
24 amended complaint in connection with forming your
25 opinions in this case, did you?

1 [REDACTED] - 2/16/2022

2 MR. SYLVESTER: Objection.

3 A. I thought -- it seems like you're asking
4 me two different things, like if I read the
5 complaint or if that helped form my opinion.

6 Q. Did you consider the complaint or the
7 amended complaint when you were forming your
8 opinions in this case?

9 MR. SYLVESTER: Objection.

10 A. I did my own independent analysis on this
11 case.

12 Q. Did you consider the complaint or the
13 amended complaint when you were forming your
14 opinions?

15 MR. SYLVESTER: Objection; asked and
16 answered.

17 A. Yeah, I did my own independent analysis.

18 Q. Did that independent analysis include
19 consideration of the complaint or the amended
20 complaint?

21 A. I did my own analysis on this -- in this
22 case. I don't -- I really don't have anything else
23 to say about that.

24 Q. You didn't list the complaint or the
25 amended complaint in Exhibit B. Correct? I'm

1 [REDACTED] - 2/16/2022

2 sorry. Appendix B to your report, Exhibit 3 in this
3 deposition. Correct?

4 A. Let me just go back and make sure. It's
5 been a while since I've seen this.

6 (Pause.)

7 No, I don't see it listed there.

8 Q. So does that mean you did not consider
9 the complaint or the amended complaint in forming
10 your opinions in this case?

11 A. The sources I considered are in this
12 list.

13 Q. And the complaint and the amended
14 complaint are not among them. Right?

15 A. Not on that list.

16 Q. Okay. So how did you learn what this
17 case was about?

18 MR. SYLVESTER: Objection; same
19 instruction.

20 To the extent that you can answer
21 that question without revealing communication with
22 SEC counsel, you're free to answer. And to the
23 extent that it calls for communications with
24 counsel, please do not answer.

25 A. I can't remember all the details around

1 [REDACTED] - 2/16/2022

2 that, but -- yeah, that's -- I'll leave it there.

3 Q. So you can't remember how you learned
4 what this case was about. Is that right?

5 MR. SYLVESTER: Objection;
6 mischaracterizes testimony.

7 A. Yeah, I don't think that's what I said.

8 Q. Okay. So tell me what you do remember
9 about how you learned what this case was about.

10 MR. SYLVESTER: Objection.

11 To the extent that that calls for
12 communications with counsel, I'm going to instruct
13 you not to answer.

14 A. Yeah, I'm going to not answer that
15 question.

16 Q. So did you learn about what this case was
17 about solely through conversations with counsel?

18 MR. SYLVESTER: Objection;
19 mischaracterizes testimony.

20 A. Sorry. Repeat the question.

21 Q. Did you learn what this case was about
22 solely through conversations with the SEC's counsel?

23 A. For the reasons that we talked about, I'm
24 not going to answer that question.

25 Q. I don't think you have the option not to

1 [REDACTED] - 2/16/2022

2 answer that question. I'm not asking you what you
3 talked about with them. I'm asking did you learn
4 about this case solely through conversations --
5 sorry.

6 Did you learn what this case was about
7 solely through conversations with the SEC's counsel?

8 A. I think that involves the discussions I
9 had with SEC counsel and what we talked about, so...

10 Q. You haven't been instructed not to answer
11 that question. Are you refusing to answer it?

12 A. I think I've already given a general
13 sense of some of the information and where I've
14 learned about it. And then in other cases I think
15 that I've learned things about this case from
16 conversations with attorneys. So I've been
17 instructed not to disclose those. And so I think
18 I've covered the answer to your question as best as
19 I can.

20 Q. My question is did you learn about what
21 this case is about solely through conversations with
22 the SEC's counsel?

23 MR. SYLVESTER: Objection; asked and
24 answered.

25 He's testified to

1 [REDACTED] - 2/16/2022

2 this (unintelligible) --

3 MR. OPPENHEIMER: Counsel, you know
4 he has not answered the question.

5 MR. SYLVESTER: I do know that he has
6 answered the question. He's testified, for one
7 thing, that he read about the case elsewhere.

8 Q. What sources did you -- from what sources
9 did you learn about this case, other than the SEC's
10 counsel?

11 A. I can't remember the specific news
12 sources or articles written in the -- in the press,
13 in the -- about the case.

14 Q. But you didn't consider those articles in
15 forming your opinions in this case because they're
16 not listed in Exhibit B to your report. Right?

17 MR. SYLVESTER: Objection; form.

18 A. The -- the documents considered to
19 complete my report are in this list.

20 Q. Right. And that list does not include
21 news articles about this litigation. Correct?

22 A. I can go through and kind of go one by
23 one and explain what the -- what they are. But
24 there are certainly news articles here about digital
25 assets. I don't know -- I can't remember a specific

1 [REDACTED] - 2/16/2022

2 article that I read that -- that you're asking about
3 this case. And since I didn't list it in here, it
4 wasn't part of my -- part of the data that I used
5 to -- to form my expert opinion.

6 Q. So to be clear, you did not consider news
7 articles about this litigation in forming your
8 opinions in this case. Right?

9 A. There are certainly news articles listed
10 in this -- in this list.

11 Q. That's not my question. My question
12 is --

13 MR. SYLVESTER: Please let him finish
14 his answer.

15 A. The -- again, I think we -- we could go
16 through this list and look at what each of these
17 articles is about, but I don't feel comfortable
18 characterizing every word -- every article that's in
19 here, whether one of those talks about the
20 litigation or not. I mean, I'm not -- I'm not
21 really prepared to -- I can't remember specifically
22 every word that's in these articles. I can't really
23 say whether that's true or not.

24 Q. Why don't you read Exhibit B to yourself
25 and tell me if you see any news articles about this

1 [REDACTED] - 2/16/2022

2 litigation listed in Exhibit B -- I'm sorry,
3 Appendix B to your report, Exhibit 3 --

4 A. Exhibit 3. Right?

5 Q. -- to your deposition.

6 A. This one?

7 Q. Yes.

8 A. (Pause.)

9 Okay. None of the items in my list, at
10 least in titles, appear to reference the litigation
11 itself.

12 Q. So turning back to Exhibit 1 in
13 Paragraph 2, how did you come up with that date
14 range for the issuance period of 2013 to the filing
15 of the complaint on December 22nd, 2020?

16 MR. SYLVESTER: Again, I'm going to
17 instruct you to the extent that you learned that
18 conversation through conversations with counsel, not
19 to answer to the extent it reveals conversations
20 with counsel. If you learned that information from
21 any other source you may have read, you're free to
22 answer that.

23 MR. OPPENHEIMER: And, again, I think
24 that's not a proper instruction for something
25 disclosed to a testifying expert that he relied on

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2 in his report, but let's --

3 MR. SYLVESTER: Yeah. I'm asking him
4 just not to reveal any conversations with counsel.

5 If you learned this from reading a
6 document, you're free to reveal that document that
7 you were given -- that you obtained on your own or
8 that you received from counsel.

9 A. What I can remember sitting here now is
10 that this is, you know, part of -- part of the
11 assignment was that date range.

12 Q. When you say "part of the assignment,"
13 you mean part of the instructions that you received
14 from the SEC?

15 A. So I mean the assignment of, you know,
16 what I was asked to offer independent expert
17 testimony is included in this description that I
18 wrote about the assignment and part of that
19 description that I wrote about the assignment is the
20 time range. And so, you know, the time range that I
21 was analyzing was -- was part of that assignment.

22 MR. SYLVESTER: Brad, can we take
23 literally a two-minute break? I think this could be
24 resolved briefly. I just need to consult with
25 Mr. [REDACTED]

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2 MR. OPPENHEIMER: Sure.

3 MR. SYLVESTER: Thank you very much.

4 THE VIDEOGRAPHER: The time is 12:55.

5 We are off the record.

6 (Break.)

7 THE VIDEOGRAPHER: The time is 1:07

8 we are on the record.

9 Q. Mr. [REDACTED] did the SEC provide you with
10 any factual assumptions that you relied on in
11 forming your opinions in this case?

12 A. Nothing that I can remember. I think
13 they gave me the assignment as listed here.

14 Q. Take a look at Exhibit 1, your report, at
15 Page 6, Paragraph 8. The beginning of Paragraph 8,
16 you write: The design of XRP is a fixed-supply
17 coin, as well as statements made by Ripple, were
18 consistent with promoting an investment-use case for
19 XRP. Based on my experience in the digital asset
20 space, I conclude that a reasonable purchaser would
21 have had an expectation of future profit derived
22 from the efforts of Ripple.

23 You see that?

24 A. Yes.

25 Q. And you're offering that opinion based on

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2 your experience in the digital asset space. Right?

3 A. In part, based on my experience in the
4 digital asset space. In part, you know, this is the
5 result of the, you know, total analysis that I did
6 that I got put here in the report.

7 But I think, you know, I identified, you
8 know, key factors that are important to reasonable
9 purchasers of digital assets and that did come
10 from -- from my experience in the digital asset
11 space from both trading, the arbitrage strategies,
12 and the discretionary trading strategies we talked
13 about earlier.

14 I mean, I think that includes my
15 experience in the -- the traditional financial space
16 trading a variety of other asset classes like
17 stocks, bonds, and FOREX and commodities. It
18 includes my experience just interacting with, you
19 know, market participants in the space, plus
20 experience just kind of also on the noninvestment
21 side being a user of blockchains, someone has just
22 routinely used digital assets and blockchains
23 before. I'm also extremely familiar with the
24 blockchain space through the investigative work that
25 I've done, fraud investigations and such.

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2 And then I think, you know, using that
3 knowledge, identifying key factors that are
4 important to reasonable purchasers and then
5 collecting data that is relevant to that so that
6 includes, you know, public statements by Ripple and
7 by employees of Ripple and it also includes, you
8 know, blockchain data and trading data and, you
9 know, a variety of both written communications
10 and -- and hard data along those lines and I think,
11 you know, synthesizing those together to create an
12 understanding of how a reasonable purchaser would
13 interpret, you know, aspects of what Ripple and --
14 did and what, you know, the design of XRP was to --
15 to reach conclusions about, you know, how a
16 reasonable purchaser would, you know -- how -- how
17 those factors and that data was relevant to a
18 reasonable purchaser.

19 Q. Was there anything other than the
20 elements you just described that you were relying on
21 to form your opinions in this case?

22 A. Everything I did I think is primarily,
23 you know, laid out in the report. I think I just
24 gave a very high-level overview of one piece of
25 that. But, you know, there are -- there is a lot

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2 more detail about the -- the work that went into
3 that and the analysis in the rest of the report.

4 Q. Okay. And you don't have any academic
5 training on digital assets. Right?

6 MR. SYLVESTER: Object to form.

7 A. I'm not exactly sure what you mean by
8 that, whether I have academic training.

9 Q. Well, you don't have a degree in any
10 field related to digital assets. Right?

11 MR. SYLVESTER: Object to form.

12 A. I think -- I might be wrong, but I think
13 earlier we were talk- -- when you asked those
14 questions, we were talking about, you know, digital
15 assets as an investment or the financial aspects of
16 that. But digital assets are, you know --
17 blockchains generally rely on, you know,
18 cryptographic cash functions and software and
19 technology and algorithms and things like that that
20 I learned a great deal about in getting a master's
21 degree in electrical engineering.

22 And then after that -- after those
23 degrees, like I mentioned on my CV, I worked as an
24 engineer developing software, developing algorithms
25 and learning about, you know, many different areas

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2 of expertise that are directly relevant to the
3 blockchain space. So -- so I would disagree with
4 that.

5 Q. So you have an engineering degree; you
6 don't have a finance degree. Right?

7 A. That's correct.

8 Q. You don't have an economics degree.
9 Right?

10 A. That's correct.

11 Q. You don't have a degree in any
12 investment-related field. Right?

13 A. That's correct.

14 Q. Now, one of the things that you mentioned
15 in that sentence we just read was the design of XRP
16 as a fixed-supply coin as something that was
17 consistent with promoting an investment-use case for
18 XRP. Do you see that?

19 A. Yes.

20 Q. Bitcoin is also a fixed-supply coin.
21 Right?

22 A. The supply of bitcoin changes over time.

23 Q. It is capped at a long-term maximum,
24 isn't it?

25 A. I would say even still over the period of

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2 time we've been talking here today -- it's been,
3 what, four years -- there have been probably over
4 that period of time 24ish block rewards at 6.25
5 bitcoin each. So that's probably, you know, a large
6 number of, you know, freshly mined bitcoin that have
7 come into existence just since we've been sitting
8 here at the table.

9 So I disagree with your assertion that's
10 a fixed-supply coin. The supply has literally
11 changed since we've been talking today.

12 Q. There is a long-term maximum on the
13 number of bitcoins that will ever exist, isn't
14 there?

15 A. The current consensus rules for that
16 protocol, yes, dictate a 21 million maximum supply.
17 Those can change and there have also been forks of
18 the coin that have, you know, introduced differences
19 to that.

20 Q. So the answer is yes, under the current
21 consensus rules, there is a long-term maximum
22 supply of bitcoins. Is that right?

23 MR. SYLVESTER: Object to form.

24 A. Under the current -- yes, under the
25 current design of bitcoin, there is a maximum future

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2 supply, but the supply is constantly increasing. I
3 mean, I think at some point way into the future, the
4 block reward will actually be zero and that will
5 cease to be true, but as of right now, the supply is
6 going up over time.

7 Q. And that's true of Ethereum as well, that
8 there is a long-term maximum number of Ether that
9 will exist. Is that right?

10 A. That's correct.

11 MR. SYLVESTER: Objection; form.

12 A. The supply of Ether also grows over time,
13 but I think, especially after the recent update, the
14 mechanism in place for minting and burning tokens
15 changes depending on the demand for block space.
16 And so there are actually times when the opposite of
17 that is true and the supply is decreasing.
18 Sometimes the supply is increasing. The amount of
19 the decrease or increase is variable so that changes
20 over time. So it's theoretically possible to have
21 long stretches of time where the supply of Ether is
22 actually going down and other times there are going
23 to be stretches of time when the -- when the supply
24 goes up. But unlike XRP which has an initial value
25 that's set and doesn't change and bitcoin which, as

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2 you identified, has kind of an upper bound but we're
3 constantly increasing towards that bound, for
4 Ethereum, it's a totally different matter. There
5 is -- there is no target number that is a limit in
6 either direction.

7 Q. You just said XRP has an initial value
8 that's set and doesn't change. What do you mean by
9 that?

10 A. I mean when the XRP Ledger and XRP tokens
11 were created, there were -- a certain number of them
12 were mined and that number exists in the world and
13 hasn't changed since that point.

14 Q. So when you said "value" there, you were
15 referring to the number of tokens, you weren't
16 referring to price?

17 A. That's correct. I meant the number of --
18 actually, I mistakenly said tokens, they're coins.
19 The number of coins was -- was set kind of as a
20 complete separate concept than the price. The
21 number of coins was set at a point in time and
22 hasn't changed since then.

23 Q. Is it your view that any cryptocurrency
24 that has a fixed supply in which all of the existing
25 coins exist from the outset is consistent with

1 [REDACTED] - 2/16/2022

2 promoting an investment use?

3 MR. SYLVESTER: Objection; beyond the
4 scope.

5 A. I'd -- I'd have to think through the
6 specifics of another asset that you have in mind.
7 Just as a general principle, if there's a -- if
8 there's a company or a product offering that has
9 some economic activity on it and the supply of that
10 coin or token is fixed, then, you know, increased
11 participation in that, increased kind of value of
12 economic activity taking place on that platform or
13 using that token is linked to the price of the token
14 if there is a, you know, a fixed supply in that
15 token because the value of that economic activity,
16 you know, is -- is sort of spread among that fixed
17 and finite and constant supply of tokens.

18 So to the extent that a certain dollar
19 value of assets needs to be reflected in that pool
20 of tokens to facilitate that economic activity, the
21 total kind of dollar value of that pool of tokens
22 needs to grow or shrink to accommodate that economic
23 activity.

24 And, you know -- you know, the concept
25 I'm getting across here, and I think it holds

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2 generally but not in every possible situation
3 because I can imagine some -- you know, I can't
4 consider every possible scenario how that could be
5 different, is that, yeah, in fact, the -- the fixed
6 supply basically provides that linkage between the
7 value of the economic activity happening on the coin
8 and on the platform with the -- the price of the
9 token.

10 Basically, if you don't have that fixed
11 supply, then the market cap of the token can shrink
12 or grow without directly impacting the price of a
13 single coin.

14 Q. Do you know approximately how many
15 bitcoins are in existence today?

16 A. I'm -- I'm going to be guessing. As of
17 right now, I think it's probably something like 16
18 million.

19 Q. And do you know approximately how many
20 bitcoins are mined everyday?

21 A. 6.25 times 6 times 24. Whatever that
22 number is.

23 Q. Don't look at me.

24 A. Statistically, that's how many are going
25 to be mined everyday. The actual number will be

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2 different. You could have a scenario where many
3 fewer than that are mined or more than that are
4 mined on a given day. I mean, not just could, in
5 fact, that is the case. Everyday it's going to be a
6 different number. But kind of statistically
7 speaking, as an average over time, it's 6.25 times 6
8 times 24.

9 Q. So something in the ballpark of 1,000
10 coins per day?

11 A. Let me think for a second.

12 Yeah, that sounds about right.

13 Q. Is it your view that where there's about
14 16 million bitcoin already in existence, a change of
15 1,000 new bitcoins per day severs the link between
16 economic activity and the price of bitcoin that you
17 were just discussing?

18 MR. SYLVESTER: Objection; beyond the
19 scope.

20 A. I think over time this issue of the --
21 the growth of the number of tokens has actually been
22 extremely important to many market participants and
23 has been hotly debated. And I think, yeah,
24 generally you would find many people to take, you
25 know, great importance into the exact number of how

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2 many coins are mined each day.

3 I mentioned just a minute ago, the idea
4 that on the Ethereum blockchain, the growth of that
5 is kind of variable over time and I don't mean in a
6 statistical sense like I just mentioned with
7 bitcoin, but I mean, that's -- the actual number can
8 increase or shrink and -- and, you know, this has
9 been a -- a huge deal and part of, you know,
10 people's investment thesis even about -- about Ether
11 that if -- now that there's a mechanism that allows
12 the number of coins to shrink over time during
13 certain periods that, you know, that can be a really
14 important factor for making a decision whether to
15 invest or not.

16 Certainly, I would say that when you have
17 something that's worth \$44,000 a coin like bitcoin,
18 and you mentioned, you know, roughly a thousand new
19 coins per day, all is equal, there needs to be
20 another \$44 million of demand for that asset to kind
21 of keep things in equilibrium. So it's very
22 significant that the number of tokens changes over
23 time.

24 But I mean, I think it's -- if you're
25 looking at that analysis the way I kind of put it

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2 out that there's a certain time -- I think in time
3 there's a market cap of the coins and you divide
4 that market cap by the number of tokens.

5 To the extent that somebody has an idea
6 of what the value of the protocol or the blockchain
7 should be, the number of coins is, you know,
8 directly linked to that -- to that number, and so if
9 it's a fixed supply, the -- over time, then the
10 economic value of the entire protocol or the entire
11 blockchain is directly proportional in that case to
12 the price of the token. So there is a proportional,
13 direct, consistent linkage there.

14 And I think you're talking about in
15 bitcoin and certainly in Ethereum, that linkage
16 is -- is variable, but certainly the number of
17 tokens is hotly debated and is a -- the maximum cap
18 on bitcoins is the reason why many people say
19 that -- they would point to that as a reason to
20 invest in the token.

21 Q. Are you familiar with the concept of
22 market efficiency?

23 A. Yes.

24 Q. In your view are large cap digital asset
25 markets efficient?

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2 MR. SYLVESTER: Objection; beyond the
3 scope.

4 A. There are different types of market
5 efficiency. Even as an academic topic, there's, you
6 know weak-form efficient markets, strong-form
7 efficient markets and, colloquially, people use that
8 term in many different ways. So I really have no
9 idea how you're specifically using that term when
10 you're asking me the question, are large cap digital
11 assets efficient? Can you kind of hone in on which
12 version of market efficiency you have in mind?

13 Q. Why don't we start with weak-form
14 efficiency. Do you believe that digital asset
15 markets are weak-form efficient?

16 MR. SYLVESTER: Objection; beyond the
17 scope.

18 A. As a general principle, I would say that
19 the fact that I am -- spent so much time doing
20 arbitrage in the cryptocurrency space, would suggest
21 that there are inefficiencies in the digital asset
22 space.

23 Q. Okay.

24 A. Because if the inefficiencies didn't
25 exist then there wouldn't be a large profit pool

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2 available for arbitrage.

3 Q. As a general principal, if a market is
4 efficient, you wouldn't be able to arbitrage
5 successfully in it. Is that right?

6 MR. SYLVESTER: Objection; beyond the
7 scope.

8 A. Arbitrage profits are linked to the
9 inefficiencies that exist in a digital asset space,
10 yes.

11 Q. And because you've been able to achieve
12 significant profits through arbitrage, your view is
13 that there are inefficiencies in the digital asset
14 markets. Correct?

15 MR. SYLVESTER: Objection; beyond the
16 scope.

17 A. So you're asking me, are there right now?
18 I mean, that covers a lot of different assets and,
19 you know, my activity in the space covers a lot of
20 different time and a lot of different assets.

21 There's certainly been periods of time
22 when there were no arbitrage opportunities available
23 for certain assets and there were periods of time
24 when there were large opportunities available -- I'm
25 sorry -- arbitrage opportunities available for

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2 certain assets.

3 So there's really a different answer for
4 that, at different points in time and for different
5 assets. It's -- it's hard to make an overarching
6 statement about how efficient the cryptocurrency
7 markets are.

8 Q. If you look at Paragraph 8 in your
9 report, Exhibit 1, that same sentence we've been
10 looking at you first mention: The design of XRP is
11 fixed-supply coin.

12 Then you say: As well as statements made
13 by Ripple.

14 How did you select which of Ripple's
15 statements to analyze and opine on in this report?

16 A. I generally searched through Ripple's
17 public statements and any statements that I could
18 find that -- that I came across on kind of known
19 platforms, especially social media platforms, but
20 also statements that I found through interviews and
21 speeches, things like that.

22 Q. So you went and looked for all these
23 statements yourself?

24 A. I looked for statements personally, yes.

25 Q. Did the SEC provide you any statements

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2 for you to consider?

3 A. I don't remember any specific statements
4 that were given to me by the SEC about this.

5 Q. I'm not asking you if you remember which
6 specific ones. My question is, did the SEC provide
7 you any statements for you to consider in forming
8 your opinions?

9 A. I don't remember.

10 Q. Does Exhibit B to your report, that is
11 Exhibit 3 in the deposition, does [REDACTED] Exhibit 3
12 include every statement by Ripple that you
13 considered in forming your report --

14 A. So --

15 Q. -- your opinion --

16 A. -- as I mentioned earlier, I'm very
17 confident that this covers all of the websites and
18 sources. I think on a individual website here like,
19 you know, Twitter is mentioned, for instance, there
20 were other individual Twitter threads that -- that I
21 read. But maybe every single thread isn't listed
22 here, but certainly all of the -- certainly all the
23 general, you know, platforms where I drew this
24 information are listed on this.

25 Q. Your report cites about 40 statements by

1 [REDACTED] - 2/16/2022

2 Ripple in all. You know, I'm not asking you to
3 count them up, I'm just telling you I have counted.
4 There are about 40.

5 Did you look for any statements by Ripple
6 beyond those roughly 40 that would have shown that
7 Ripple was promoting any activities in a way that
8 was not consistent with an investment-use case?

9 MR. SYLVESTER: Object to form.

10 A. There was many statements by Ripple.
11 Some of those ended up in the report, some of those
12 didn't. I think there are additional statements by
13 Ripple or by Ripple employees that suggest an
14 investment-use case. I think I have talked about --
15 I have included statements in here that speak to
16 noninvestment-use cases as well. There's like a
17 combination.

18 So I guess I would say that that sort of
19 mischaracterizes what's in the report, because there
20 is a combination of investment -- known
21 investment-use cases that show up in the quotes, and
22 there are also investment and noninvestment cases
23 that show up outside of those quotes. There are
24 also many statements by Ripple and individuals
25 related to Ripple that are talking about a wide

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2 variety of topics that are either irrelevant or have
3 nothing to do with this analysis.

4 But as I mentioned, I kind of -- I set
5 forth a list of important factors that are
6 considered by reasonable purchasers, and those
7 important factors are based on my understanding of
8 the space and my involvement in the space, both as a
9 user of blockchains and investor in the space.

10 And, you know, I try to -- to focus on
11 statements that were -- you know, informed the --
12 the understanding of reasonable purchasers regarding
13 those important factors that they might consider.

14 Q. So you set out the list of important
15 factors that you believe are considered by
16 reasonable purchasers, and then look to see if there
17 were Ripple statements regarding those factors. Is
18 that right?

19 A. The -- the -- well -- I -- I can't -- I
20 can't tell if you're trying to get at, like, a --
21 are you trying to get at a chronology of which one
22 happens first, or are you trying to get at, like, a
23 completeness of whether there is a statement that
24 exists in the world that's responsive to one of
25 those factors, or I can't exactly tell what you're

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2 asking me about here.

3 Q. The question is about how you went about
4 finding these statements by Ripple that you quote in
5 the report, and so I'm asking: Based on the answer
6 you just gave, it sounded like what you were saying,
7 and you can tell me if I have this
8 wrong -- withdrawn. Let me ask a good question.

9 From your testimony, it sounds like the
10 way you found these statements was that you set out
11 the list of important factors that you believe are
12 considered by reasonable purchasers, and then you
13 looked to see if there were Ripple statements
14 regarding those factors. Is that right?

15 A. I'd say that's -- that's generally the --
16 yeah, the approach I took. I mean I think that a
17 more detailed explanation of my approach and my
18 findings are -- there is a lot more to it than that,
19 because there is a, you know -- a 50-page report
20 about that here.

21 But, yes, generally, I -- I identified
22 factors that are important to reasonable purchasers,
23 based on my experience in the space. And I have
24 included -- searched for data, searched for
25 communications that were made and, you know, part of

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2 that is also a synthesis of my understanding of how
3 the blockchain works.

4 I mean, we have talked also about the
5 design of XRPs, the fixed-supply coin, so some of
6 that is from the blockchain analysis itself, some of
7 that is from the communications that have been made
8 by Ripple and by some Ripple employees. And to the
9 extent that those statements in one direction or
10 another, you know, related to these topics, then,
11 you know, I -- I included those.

12 Q. Sitting here today, you don't know how
13 many total public statements Ripple made between
14 2013 and 2020, do you?

15 A. I don't know.

16 Q. And you don't know what percentage of
17 Ripple's total public statements the ones in your
18 report constitute, do you?

19 A. I don't know.

20 Q. You don't know if it's less than a
21 fraction of a percent of total public statements?

22 A. I --

23 MR. SYLVESTER: Object to form.

24 Go ahead.

25 A. I don't know how many public statements